

AN APPRECIATION OF THE POLITICAL
LIFE OF E.J. CRAIGIE.

BY A.I. SCHUBERT

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The earliest knowledge that the writer has of E.J. Craigie dates from about the year 1910, when as a young man with a family of three sons, he was a baker in South Australia.

Even at that time he was evidently concerned with conditions pertaining to the welfare of the peoples of the world. It is said that he and a number of thoughtful men were in the habit of congregating on Sunday mornings in the open, where all could participate with the object of discussing the conditions and the problems confronting their own society, and those of the other occupants of the universe. That the discussions would be of a political nature is obvious. How best to go about understanding principals of economic justice was the aspirations of that small body of public minded men. Mr. Craigie at a much later date admitted that at that stage of his life, he was of the opinion that a Communistic state of society was most likely to fulfil the needs of the people. With that object in mind he went along to hear a debate between a Communist advocate whom he felt was well able to defend his doctrine against all those who were foolish enough to disagree with him.

The fellow who was opposing his idol went by the name of a Mr. Taylor, who for the want of a more descriptive title was known as a Single Taxer.

At the conclusion of the debate, Craigie had to admit that his exponent of Communism had been decisively defeated and that the single taxer had presented a case that urgently needed investigating.

With that resolve he assailed book-shops. However such was the paucity of works on Political Economy, that all he was able to obtain was a lecture by an American philosopher in political economy, whose name was Henry George. The title of the lecture was "Thy Kingdom Come". Having purchased the pamphlet and digested the principals that it contained, a new and magnificent horizon was revealed to him.

Such was his intellect that he did not need to plough through volumes of the Science of Political Economy to perceive a great truth. He appeared to have seen in a flash that the path to a more prosperous and a more noble society lay in the establishment of more freedom and not less, as advocated by the communistic philosophy. Where the state becomes supreme and the individual becomes insignificant. Communism being only for those who can no longer be trusted to think for themselves.

To this principle of freedom which necessarily incorporates political justice E.J. Craigie devoted the rest of his long life.

The next evidence that the writer has of E.J. Craigie is as speaker in opposition to the conscription issue of the 1914-18 war, when he was sponsored by the Labour Party. At that time, as in all wars, the conscription of youth became a very hot issue. Many people, who are still so barbaric, or whose intellect has been so deranged by fear and other despicable interests, will enthusiastically subscribe to forcing the youth of the land to lay their lives on the line.

The so called "Little Digger", who was then Prime Minister, said that Australia would give the last man and the last shilling to the war effort. It should be noted that there was less indecency in this statement than in others who criminally pledge life and just as criminally oppose conscription of wealth while at the same time vociferously claiming that the country was fighting to retain freedom and independence.

Craigie of course was bound to point out that life is private property, and that only despots and cowards would intrude on that very private domain.

Having defeated the conscription issue, many good men but of intellect inferior to that of E.J.Craigie, felt that they had fulfilled their obligation, and as is usual became inactive. It should be appreciated that intellectual inactivity in peace time makes further conflagrations probable, in fact inevitable, and further weakens the noble spirit that is opposed to conscription. Not so with Craigie. We find him in occupation of an office in Adelaide, as secretary of dedicated people, directing their activities to the establishment of intellectual and economic freedom.

Wars always have their causes, and since religion has been weakened (not Christianity) the causes are now always economic. So to be consistent and progressive we need leadership toward a nobler state of society. No society remains stationary, the undercurrents of despotism are trying to drag us back, while noble leadership is endeavouring to lead us forward. To that purpose Craigie as Editor of the "Peoples Advocate" gave many years of a very fruitful life. But being a very practical man and also a very intelligent man he was bound to make an appeal to the electors to give him a seat in parliament. Having decided to do so, he chose the district of Eyre on Eyre Peninsula in the state of South Australia.

Eyre was a two member constituency, as were all the country districts of the state at that time where each district returned two members to the state parliament.

Without wearying the reader it is enough to say that at first he was not successful. However, the truth that he was trying to make clear was gaining ground, and the time did arrive when the electors had the glorious satisfaction of seeing our champion of economic justice elected to the parliament.

The opponents said "What can one member do in a hostile Parliament?" Craigie replied, "What can a ferret do in a warren of rabbits?. And disruption he certainly caused.

At the first session of parliament after the election he made one of those magnificent speeches for which he became noted during the eleven years he graced parliament. He was commended by the members of the Government and also the members of the Opposition. One thing however they could not do, they could not put his principles on the Statute Books. The backward state of the electors minds would not admit of such progressive principles. An educator he was, but his knowledge was not yet acceptable. There is little doubt that E.J.Craigie expected little support from the very backward conception of political economy. However, all his energy, all his honesty, all his brilliance was exerted in an attempt to lift the intellect to an appreciation of the principles that he enunciated.

The fact that he was in parliament made him conspicuous; he was being heard by people who had not heard him or of him before. However, as always, those who were suffering from the onslaughts of his intellect were not comfortable. The Government and those in Opposition were not spared when they offered opinions contrary to the principles as he saw them. Hansard was read with growing enthusiasm by a greater number of the electors, who knew that there was indeed a ferret in the House and that the apathetic tranquillity of the House was being disturbed.

When Craigie made a speech there was always an intellectual treat to be enjoyed.

So as was to be expected he was approached from representatives of the Government with a view to forsaking the principles, with the offer of personal gain to himself. Some men can not be polluted, and our member was a shining example of that noble spirit that places principles above personal gain, when corruption is involved. The powers of darkness having failed in their first attempt we shall subsequently see that more insidious methods eventually met with some measure of success.

The next election date saw a colleague, in the person of J.P. Moore, contesting the second seat with Craigie. Moore was a brilliant speaker and a worthy colleague.

The seat was only narrowly lost to the so called Liberal candidate, while an even closer contest resulted in the Murray Mallee district, where Mr Groth was defeated by only twelve votes. Further, a Single Taxer, by the name of Mr. Anderson, was elected to the Legislative Council.

These were startling events: Independents were being elected, and the position of the party politicians was being challenged. When the Liberal party were still precariously allowed to form a Government, they no doubt decided to address themselves to the weakening blows that party politicians were getting from aroused electors and a classic example now developed of the small mindedness of men in high places, when their position is under challenge. Principles were further disregarded, and their own dominant position became their only concern.

The Government addressed itself to the method of electing its members to parliament and the best means of giving the majority a complete monopoly of the seats in parliament. The unwary are often told that such tactics make for stable government, the stability of the lives of the people being of course ignored.

It has been pointed out that we did have two member constituencies each district returning two members to parliament. Now, by an Act of the State Parliament of that date, the electoral districts were divided into two districts, and thence forth each district returned only one member to parliament.

Now we'll need to use our intellect to appreciate what occupied the subtle minds of those politicians who brought about that further division of the districts.

The position was this, in a two member district all the votes are counted, the ~~Total~~ number of the votes are divided by three and one is added to the result of the division. This means that the first candidate to receive one more than the third of the votes is declared elected to parliament. The second successful candidate is also elected, similarly leaving less than one third of the votes for the candidate next in order of popularity. He of course is defeated because the two successful candidates receive the greater number of votes.

Now in the single member constituency the same principle is applied, but because only one candidate can be successful, it becomes logical and necessary to divide the total number of votes by two and add one. The first candidate to receive one more than half the votes is declared elected. He has received an absolute majority; all the remaining votes could not equal the votes cast for the successful candidate.

Now the lesson to be learned is that in a two member district, less than one third of the voters will be left without representation, while in a single member district, one less than half the voters can be left without the representative of their choice. The long range but undemocratic action (which still disgraces our statute books) was not immediately completely successful. While no doubt many more active and intellectual electors were prevented from getting a foothold in parliament, Craigie's intellect and popularity was such that he was to influence a majority of votes in his favour and he continued to be elected to parliament. Such was his popularity, that in one small district which the writer knows well, the vote disclosed fifty for Craigie and only one for the other candidate.

However, such is the tenacity of self interest, particularly of those who live by despoiling others, that they are never really beaten, they only scheme to employ fresh devices to achieve their purpose. So while the majority of electors continue to insist that their representatives do their thinking for them, they the politicians have a very infertile field, very susceptible to corruption.

That then became their next line of attack or should we say of defence. The electoral machinery having been made safe to keep good men out, it was only necessary then to get rid of good men who were already in parliament.

Many people feel that the two parties known as Liberal and Labour have irreconcilable differences and that they can be depended upon to oppose each other consistently. Such however is only the case until their security is threatened, and this was the threat that confronted the politicians in the hungry thirties. It was repeatedly shown that there was no significant difference between the policies of the Liberal and the Labour parties and Craigie in the House of Assembly in South Australia ably and consistently directed attention to the similarities and the weaknesses of their respective policies.

So the time had arrived when these two opposing parties had to lay down their arms and unite to preserve their own personal interests and the privileges that they were committed to protect. With that aim in mind they approached the next State election.

The Labour Party was not unduly worried that they had consistently advised their supporters to give their second preference votes to any other candidate but Liberal. The Liberals on the other hand were quite prepared to trade their second preference votes to Labour. So the credulous supporters of Liberal and Labour were coolly advised to give their second preference votes to Liberal and Labour respectively and no questions were asked about the reversal of policy.

As the election results showed, Craigie (as usual) received the majority of first preference votes, but was defeated on the transfer of second preferences.

If it did nothing else it should illustrate to the most ordinary mind, that an antiquated electoral system can defeat the popular wish of the electors. It does more, for it illustrates the contempt in which the elector is held, when governments can wield with impunity an undemocratic electoral system to defeat the fundamental purpose of democracy.

And so ended the glorious reign of E.J.Craigie in parliament. But of course the seeds that he had sown in and out of parliament continued to germinate, a man is not defeated because he is manipulated out of parliament by sordid means.

People generally speaking are not yet ready to embrace such progressive principles. We are moving but painfully forward. All those who apply themselves to the principals of economic justice and making it more difficult for those whose primitive outlook would drive us back to barbarism are urgently needed.

The fact that Craigie got into parliament and remained there for a considerable period would be due to his own brilliance.

Even those who supported him did not fully or clearly understand the beauty of his message. A true conception of the principles of Economic Justice is comparatively recent, we are only now emerging from savagery, and it often appears that we may be swept back, so few are the people who can lead, so few are those who know how to follow.

However, truth is never destroyed, it is often ignored probably more often misconstrued and misrepresented, but it is bound to live and gain momentum. Where some of necessity lay the burden down others are bound to pick it up.

We have seen the principles of site value recognised by most of our councils throughout Australia, who now collect their rates on site values instead of improved values as was previously the case. A great deal of that progress would be due to Craigie. In many instances he was a one man crusade, which pioneered the principle through many councils in South Australia.

We have vivid recollections of him still working steadfastly for rating reform, when old age and sickness was bearing down heavily upon him. Even at ninety years of age, his mind was not enfeebled and he was equal to the task of confounding all those who chose to disagree with his principles. More than anything he was a teacher, with a knowledge so comprehensive of the science of Political Economy, and the ability to be so lucid in its explanation, that he would need to be described as a master in his art.

Those who had the privilege of knowing him and being instructed through his knowledge, received something that is enduring and priceless.

When sufficient of that torpid mass of humanity can be roused to a realization that land is the passive factor, while labour is the active factor, and that to bring land and labour together we must take the economic rent and use it, instead of taxation. Only then will Craigie's name attain a position in history, consistent with the homage that should be granted to great minds, whose owners have worked constantly and unstintingly for mankind. Only then will the full force of that oft repeated slogan be fully appreciated.

Free Land, Free Trade, Free Men.

That was the slogan that graced the front page of the "Peoples Advocate", of which E.J.Craigie was the Editor for all the years of its duration.

To understand that principle, and to give practical expression to it is the answer to involuntary unemployment, communism, and every other form of coercion to which misguided and impoverished nations fall victim.

Craigie realized quite early in his political career that most of the electoral systems in use were bad, for the simple reason that they repeatedly failed to represent great numbers of the electors in parliament. He saw in his time the system mutilated still further when single electorates were introduced to elect members to the State parliament. His fertile brain perceived that there could only be one correct answer to any question. So after mature consideration he gave his active and enthusiastic support to the Hare Clark system, known as Proportional Representation. He ably expounded the principle that others had revealed before him. Many groups and their tireless leaders are patiently working today, to have the principle adopted for all elections.

Tasmania, the Federal Senate, and the Legislative Council of South Australia, each elect their members to the parliament using Proportional Representation.

The fact that the majority of the parliaments of Australia are still elected in single member constituencies can only be ascribed to the apathy and indifference of the great majority of the electors.

Many of Craigie's works may be lost to posterity, however, two stand out like beacons, showing the way to honest and intelligent government and consequently a better world for the electors;

1. "The Land in Relation to the Labour Question", which should be read by all people who are confused by the unemployment issue.
2. "The Fallacies of Protection".

To understand the above works gives life and beauty to politics, will give the elector a new horizon to work for, and will enable the elector to appreciate that if we have oppressive governments, that he the elector is at least partly to blame.

E.J.Craigie exposed great injustices and more importantly he directed attention to great principles. If for the present the truth that he tried to make clear has escaped the intellect of the people, the fault is certainly not his. He gave a radiance to politics that made one proud to be associated with the principles that he advocated, and the work to which he made such a remarkable contribution is continuing to move forward.

Truth can never be destroyed it can only be ignored and hampered. It will finally prevail.

E.J.Craigie was known at the closing stages of a long and fertile career, to express disappointment at the apathy and consequent lack of knowledge of the electors. He was known to ask, rather sadly 'Are they worth it?'

However good and brilliant men keep on keeping on, their knowledge and love of humanity will not allow them to rest while the peoples welfare and freedom is being eroded.

Craigie continued a shining example of dedication to the welfare of mankind, expressed a practical direction that must be followed to achieve economic justice.

In Craigie's life-time, we saw no less than fifty councils adopt site value rating to raise rates in South Australia. A great deal of credit would have to go to the intellect and the untiring efforts of E.J.Craigie. That we have not seen a significant drop in land prices is due to the fact that taxation has reached appalling dimensions while site rate revenue has remained ineffectively low.

When the producers of the Commonwealth are given the respect that producers deserve they will be relieved of the theft and burden of taxation, and an enlightened people will demand that government revenue be raised from site values.

Only the very selfish and the very ignorant would oppose the collection of the economic rent. This in turn would destroy the theft associated with land prices and land monopoly.

Is there any objection to a society where all are given an opportunity to work and when their work has produced wealth, that they should be allowed to retain that wealth, and not be forced to surrender a portion in taxation?

The following is one of the many speeches by E.J.Craigie while he was a Member of the South Australian Parliament.

Mr. Craigie- I have listened with considerable interest to the various ideas expressed by the members who have preceded me. I intend to approach the question before us from an altogether different angle to those which have been placed before members up to the present. We all realise from the details which were supplied by the Premier that we are living in very serious times. An effort has been made by various speakers to allocate the blame to members of one political party. They charged their opponents with being responsible and their opponents have retorted that it was the other Party that is at the bottom of the trouble. So far as my Party is concerned we are free from any responsibility in connection with this matter. It is only during this session of Parliament that my Party has been privileged to advocate its views from the floor of the House though we have tried to inculcate the lines on which social salvation was to be attained for many years before we were represented in this Chamber, but unfortunately, members of this House, being bound by Party shackles, were unable to follow the policy which led to freedom. We were told by the Premier that it is very necessary that this conversion loan should be a success, so as to get Australia out of its present financial morass. Everyone is anxious that the loan shall be a success, but the voluntary principle in seeking to reduce interest is not going to be satisfactory. I hold that interest rates cannot be reduced by Act of Parliament. You must at all times allow the law of supply and demand to determine that particular question. Why is that interest rates have soared to the high rate we find them today? It is due to the fact that the Governments of Australia have gone in for a very extensive borrowing policy, and as a result of the big demand for capital, interest rates have automatically increased, which has meant in turn additional burdens being placed on the wealth producers of the country. As the Premier mentioned many of the loans that have been floated were free of income tax and as a result of that we know that certain individuals found it very profitable to withdraw their money from ordinary channels of production and put it into Government bonds, because on tax-free loans they obtain the equivalent of about 8 or 10 per cent. interest on their money.

It necessarily follows if people could earn that high rate of interest by putting their money in Government bonds that when the private producer had to seek capital he had to pay very heavy rates for it. It is only as we increase the amount of capital available and reduce the demand on the part of the people for capital that interest will come to a lower level. The Premier said it was necessary that we should get men back into industry so that they might pay taxation. According to that those people are to be put back into industry not for the purpose of enjoying the fruits of their labours, but so that the Governments of the future will have an opportunity of extracting by taxation the return of their labour from them. Then again we are told that the reduction which is to take place in the old age pensions will be balanced by a lower cost of living. I cannot understand any person in authority or any person who knows anything of the working of economic laws claiming that we are going to have a lower cost of living. Has not the late Premiers' Conference decided that the sales tax and the primage tax shall be increased? If these taxes are imposed upon the necessities of the people that extra amount must be added to the cost of living plus the profit made on it by the retailers and wholesalers who supply the goods. There seems to me to be no possibility of lowering the cost of living by this scheme in order to compensate those who will receive lower pension rates. Then we are told that the maternity grant is to be reduced and that certain people, if in receipt of a certain amount, shall not participate in that grant. My idea is that if the country is going to have motherhood endowment at all it should apply to all sections of the community, because all sections have to contribute the money necessary to meet the payment. It is an absurdity for the Commonwealth Government to offer a 5 pound bonus for motherhood endowment for the purpose of increasing the population of Australia and then to impose taxation amounting to 8 pound per head every year that the child is in existence. It would be far better if they abolished that taxation and totally abolished the maternity grant. We were also told that these burdens should fall as equally as possible on every one and that no section should be left in a privileged position. The Premier emphasised the fact that equality of sacrifice was the strong point of the scheme. Now we are given to understand, by press reports and statements that have been made to us, that the Plan which has been put forward is - the result of the deliberations of all the heads of the Governments of Australia, assisted by a committee of legal experts, a committee of financial experts, and a committee of economic experts. I have not very much time for professors of political economy of the orthodox school. Political economy is an exact science, but, unfortunately, as far as the universities of the world are concerned -

Mr. Anthoney - An exact science?

Mr. CRAIGIE - Yes, an exact science. It is the interpretation of the science by the so-called professors which is causing the trouble at present. I have no hesitation in saying that political economy is the one subject taught in the universities to-day which is not taught on a scientific basis, which is mainly due to the fact that the universities at present are largely subsidised by vested interest, and nothing is taught in the way of economics that is likely to interfere with the privileges of that class.

Mr. Anthoney - How do you make that out?

Mr. CRAIGIE - I could give the honourable member a copy of a book called "False Education in Our Colleges and Universities," where facts are given to prove that statement up to the hilt. I am quite satisfied that until we do have political economy taught on sound lines we are not likely to get out of the trouble in which we find ourselves.

Mr. Anthoney - Has the honorable member ever listened to a lecture on political economy at the University?

Mr. GRAIGIE - Yes, I have and I have also had the privilege of addressing the students at the University on the principles of land values taxation, with Professor Mitchell in the chair and Dr. Jethro Brown as one of the audience.

I was subsequently informed that the discussion which followed that address was the best that they had had at the University, and the hope was expressed that it would not be long before I was invited again. The big hat, however, was put on that, and I have not been there since. Dealing with the question of equality of sacrifice by all sections of the community.

Mr. Blackwell - It is not possible?

Mr. CRAIGIE - I think it is, but not on the lines indicated by the Plan of the Premiers Conference. The first question of those seeking rehabilitation is always a reduction in the wages of labour. I am totally opposed to a movement along those lines. I believe the wages of labour are altogether too low at present, and also that the people are being denied the right to receive wages at all. That phase of the question has not been touched upon by any preceding speaker, and, therefore, I propose to go into it at some length later. Dealing first with the question as to what is necessary to bring about a reorganisation of our economical and financial position, I candidly confess that after carefully reading the Plan put forward by the Premiers I do not see anything in it which is going to make conditions better. Even supposing that the conversion of 550,000,000 pounds is the success that every person is anxious to see it, then all that is suggested is that having restored confidence in the community we shall be able to borrow another 12,000,000 pounds. We are in the trouble we are in to-day because of the excessive burden of taxation.

The Treasurer - What suggestion is there to borrow 12,000,000 pounds?

Mr. CRAIGIE - I understand there is a suggestion to borrow 12,000,000 pounds for the rehabilitation of the farmer and primary producer, and for the purpose of dealing with the problem of unemployment.

The Treasurer - Eight and a half million pounds, and a large portion of that has already been used for the purpose.

Mr. CRAIGIE - Whether the amount be 12,000,000 pounds or whether it be 8,000,000 pounds, the point is this, that we have been borrowing too extensively, and as a result of that borrowing we have increased our interest obligation. As a result of the increasing of our interest obligation we have built up an excessive load of taxation, and as taxation can only be paid out of production we have strangled production in Australia. To suggest that the industry that has been carrying the excessive burden can be put upon an equitable productive basis by borrowing still more does not seem to me to be a logical proposition.

The Treasurer - You cannot legally shut out borrowing. There must be some borrowing to carry on public works.

Mr. CRAIGIE - I am not so keen on borrowing proposals, and I will indicate where you can find some money to do your public works on a proper basis. I am not an advocate of taxation. I am opposed to taxation of all kinds. Under a proper system of society you do not need to pay taxation. If we work in accordance with the principle of economic law we find there is a natural fund sufficient to defray the whole cost of government. Unfortunately, we have departed from those sound economic laws and are paying the price in the crisis confronting us to-day. The way whereby we can put Australia on a proper basis is first of all to set the primary industry on a sound footing. We have been in the past spoon feeding secondary industries, and as a result of that spoon feeding we have brought disaster upon those who make our national well being. The total wealth production in Australia was 447,000,000 pounds. Out of that amount approximately 300,000,000 represented the value of primary production and 150,000,000 pounds represented the value of the production of secondary industries. Another feature that we must consider is that the value attached to secondary production is in reality an inflated value brought about by reason of the tariff created to protect secondary industries. Further, in calculating the value of secondary production the cost of repair work is included. Therefore we see that the secondary industries are not of very much account.

I do not on that account say that we should not desire to have any secondary industries here, but there is no justification for attempting to spoon feed them if by so doing it is going to bring disaster upon those which are beneficial to the country as a whole. I took the trouble some time ago to tabulate the effect of protection in relation to 12 industries enjoying a protective tariff I found there were 72,921 people employed, whose wages amounted to 12,456,000 pounds. The extra price we paid for those commodities because of the tariff policy was 27,000,000 pounds. In other words as an economic proposition it would have been better for the people of Australia to have pensioned off those 72,000 workers, given them 12½ million pounds a year to sit down and do nothing and to have bought those commodities under free trade conditions, and then we should have been 15,000,000 pounds better off.

Mr. Blackwell - Were there no other advantages?

Mr. CRAIGIE - No. The Premiers' Conference missed an excellent opportunity for impressing upon the Federal Government the urgent need for a complete revision of the tariff policy on a downward scale.

The Treasurer - That will have to come later.

Mr. CRAIGIE - There is no time like the present. On looking through the reports of the Conference we find no reference to the tariff looms largely in the discussion which took place, and yet it is of paramount importance. Before the ship of State can be placed upon an even keel the tariff policy and the Arbitration Courts must both be scrapped. I know I am running counter to some of the views held by honorable members opposite, but I am not concerned with that. I believe that even on that side quite a number of people are beginning to realise that the Arbitration Court as a means of increasing the wages of labour is really a huge confidence trick which has been placed upon the people.

Mr. Blackwell - Have you something else better?

Mr. CRAIGIE - Yes; I will tell you that later. The Premier was very strong in indicating his remarks that any person who had criticism to offer should present an alternative policy. No person has a right to criticise at all unless he can do so. -Therefore, having something of a practical nature I believe I am justified in rising to give the government the benefit of my opinion. The nationalisation of banking is one of those principles which find favor in the eyes of some, but no person who understands the principles of banking would worry himself 10 minutes in regard to that matter. I know that the nationalisation of banking has an attraction to some people. I know also that some people think that the use of paper money is very beneficial to society. Mr. Butterfield thought that if we had 20,000,000 pounds of paper money and we created a sinking fund which would absorb that amount in 20 years it would enable us to discharge our obligations. There are others who hold the erroneous idea that if you print plenty of paper money you can build public works and nobody will have to pay for them. I have heard one distinguished statesman in the Federal House, Mr. Yates, say that the East-West line was built out of paper money and did not cost the taxpayers anything. If we can do that it seems that we are wasting a considerable amount of effort in working as we do at present. If we had this 20,000,000 pounds we could save interest that is paid if we float a loan of 20,000,000 pounds, but what happens is this, that the printing of 20,000,000 pounds of notes for the purpose of providing public utilities brings about an increased currency to facilitate the exchange of a given quantity of commodities, and where you increase your currency over the amount required to facilitate the exchange of commodities, prices rise and the people with the largest families are the ones who would pay.

Inflation, as an economist once said, is the devil in disguise, and the sooner we get rid of these inflation ideas the better it will be for all concerned. We are troubled to-day with a very grave unemployment problem. Not much has been said in this House with regard to unemployment. Certainly when indicating his policy the Premier told us there were about 360,000 people who needed employment at present. I believe the number is much greater, and in addition to those completely out of a job we also have a great number working on short time. We cannot expect anything but depression whilst we have 360,000 or more idle people in our midst who have to be kept by the labor of those who work. We cannot expect prosperity or success in business while the purchasing power of the people is blocked in this manner. It seems to me that the main fundamental question which will have to be considered by the Premiers of the States and the Federal Parliament is the solving of the problem of unemployment on right lines. I hold quite different ideas from many people on the question of unemployment. Some think it is their natural right to go to some other man and say, "Please give me a job." Some think it is the function of the Government to find work for the people, but I disagree with that contention. It is not the function of the Government to find work for an individual. It is the function of the Government to see that natural resources are made available in every possible way so that people may produce, and that when they have produced they are safeguarded to the full capacity of their labor. Governments have miserably failed in this regard, but to-day we have a more general recognition of the fact that there is a close relationship between the land question and the labor problem. We find our distinguished Leader of the Opposition writing a special article to the "Advertiser" in which he proposes a back to the land policy as the solution of the problem of unemployment. We even find there are some philanthropical people in Adelaide meeting in committees for the purpose of forming companies whereby they may exploit the labor of the unemployed at present, utilise their services to clear land and add to the value, and the companies then pocket the results of the other fellow's labor. I am not enthusiastic about such a scheme as that or proposals to buy back the land of the country, because in the first place, under British constitutional laws of the land of our country is never completely alienated from the Crown at all. Further, it is the duty of every individual who holds land to see that that land is put to its best use, and you cannot put land to its best use unless labor is applied to it. Unfortunately, many persons have procured land in Australia not for the purpose of using it in production themselves, but for exploiting the labor of other people and getting rich without work. They have been most admirably assisted in that particular line of action by all political parties in the political arena. Labor has been equally guilty with the Liberal Party as far as giving permission to these people is concerned. Sometimes we know that when a disease has become somewhat chronic the medicine needed for its cure is frequently very distasteful, therefore, if members get medicine this afternoon which maybe somewhat distasteful to them I hope the effects will be productive of much good. The question we have to concern ourselves with is how can we get into employment those people who are now out of a job. We must realise that whilst we have approximately half a million people out of employment they have no purchasing power. We must also admit that so far as those people who are actually employed are concerned, if Governments and privileged manufacturers take 10s. out of each pound those people earn by public and private taxation, they cannot have that 10s. to buy commodities, and business of necessity must be bad; therefore we have to increase the purchasing power of the people. But you cannot increase that purchasing power without giving them employment and allowing them to enjoy the full fruits of their labor. I am intensely surprised that a Party which claims to a special degree to be the upholders of the rights of the working class has consistently through-

out its political career never hesitated to tax industry, to tax food and clothing, to tax the general necessities of people, and allow the natural revenue to remain in the pockets of private individuals.

Mr. Blackwell - You are forgetting that that Party has never been able to function up to date.

Mr. CRAIGIE - The honorable member must have a very short memory, because during this afternoon's debate it was said that Labor had complete control during the period 1910 - 1913. If the honorable member will look up the records of the Labor Government at that time he will find that during that three years through the taxation imposed on the necessities of life the purchasing power of the pound was reduced by 3s. 4d. In other words, wages at that time which were approximately three pounds a week were reduced 10s. a week under Labor rule.

The Treasurer - In those years was not the progressive land tax brought in?

Mr. CRAIGIE - The least said by the Premier regarding that the better it will be for him, because I regard the progressive Federal land tax as one of the most iniquitous measures ever placed on the Statute Books of this country. It is purely a class tax, animated by prejustice, and has no principle of justice behind it. In order to smoothe to country producers an exemption of 5,000 pound was placed in that Act.

The Treasurer - It was placed there so that the States might have some field.

Mr. CRAIGIE - It was placed there with the express purpose of placating Labor members in country districts, who were afraid to go to the country and defend an all-round tax. The Treasurer shakes his head. I direct his attention to the fact that Labor did succeed a few years ago, at a general conference in Sydney, in deleting the 5,000 pounds clause. Immediately that clause was deleted country Labor members got busy, and a special conference of the Labor Party was convened four months later. The argument advanced in favor of cutting out the 5,000 pounds exemption was, "We cannot go to the country people and defend these taxes." As the result of the representations made by country Labor members at that time, the 5,000 pounds exemption was deleted once more.

The Treasurer - They removed it so that the States could use that field.

Mr. CRAIGIE - I read the conference reports at that time very carefully and it was because of the fact that the Labor members did not dare to go back to the country and tell the people that this was the correct system that the clause was deleted. You started with a very fine decimal point of a penny on each pound of land values over the 5,000 pounds, working up until you got 9d. in the pound where estates were valued at 70,000 pounds and over. That certainly is class taxation. The Federal land tax has done more to discredit the principles of land values taxation in Australia than anything I know of. I would have been better pleased if the Act had never been passed. Seeing that it is necessary to get our people into employment, why should we not do something as a House and see that every other Parliament in other States does its best to put land to its best use? As has been pointed out this afternoon, the land has had a big increment in value in recent years because of the expenditure of public money. We have contracted this huge debt exceeding 1,100,000,000 pounds. We know that several hundred millions was blown in smoke and used for destructive purposes in the great war. The balance was spent in connection with railways, roads, water, and lighting services, and things of that nature. As Mr. Butterfield pointed out, as the result of the expenditure of this public money the values of land in Australia increased to an alarming extent, but we have allowed that huge increment in land values to flow into private pockets, and then we have taxed the wages of labor and industry generally to meet the interest on the capital cost of those things.

Mr. Giles - Values have gone down to-day.

Mr. CRAIGIE - They have not. This increment in value is not known only to those people whom we know as single taxers. We have to-day a recognition from Mr. Butterfield that he, as a member of the Labor Party, realises that. Members on both sides realise that some people have been getting something for nothing. Let me quote from a late Leader of the Labor Party, the Hon. John Gunn, when speaking in his House. He said:-

I do not know how we can overcome one phase which struck the Railways Standing Committee, namely, that some of the land is held by men who make no attempt to work it. For the most part the men who held land along this proposed line are men struggling very hard.

Then he makes this astounding statement:-

I would have no objection to the majority of them having any unearned increment resulting from the railway. What I do object to is coming on a block of, say, 5,000 acres, which is not being utilised in any way. Then, when we ask the farmers, who are endeavoring to get the railway, who owns that block, they state that it is some city man. Probably the owner has done nothing but put a ring fence around it, and holds it on an option of purchase at a small rental. The largest block we came across in Moorook, which was unutilised, was 7,180 acres. It is fair to assume that 6,000 acres of that would be good agricultural land. When a railway comes along the holder will be able to cut up that area into six farms, and the provision of the railway will mean an increase in the value of the land to him of at least one pound per acre. Members can see what it means to landholders of that description. Not only in this district, but in every district we visited, we questioned nearly every farmer who came before us whether he would advise legislation to compel holders of these blocks, which they say are merely harbors for vermin, to utilise them or get rid of them. Over 90 per cent. of the farmers questioned said they would recommend legislation to prevent the holding of these large blocks idle. In the hundred of Mantung there is one block consisting of 9,050 acres, and I do not think any use is being made of it. I put it to the honorable members, why should I, if I owned 10,000 acres which I had never touched, be able to put 10,000 pounds into my pocket through the expenditure of public money on a railway? I would have no moral right to that money at all.

There you have a straight-out declaration by the Leader of the Labor Party at that time that this increment in value brought about by the expenditure of public money in the construction of the Wanbi-Moorook railway was putting amounts ranging from 8,000 pounds to 10,000 pounds into the pockets of certain private landowners, city speculators who were not using the land at all, and yet that same gentleman made no definite attempt to take those values for the benefit of the people who created them.

Mr. H.J. George - He knew what was wrong.

Mr. CRAIGIE - The man who knows what is wrong and refuses to do the right thing is a moral coward.

The Treasurer - Bills were sent to another place for increasing land tax, but were defeated.

Mr. CRAIGIE - Whatever Bills have been sent from this House to the Legislative Council, the Governments which sent them there always had a tender solicitude for the landlord class. They have always asked for a miserable farthing increase in land tax, while they have been content to put 1s. in the pound upon the wages of labor, therefore it seems to me that there has not been much sincerity behind it. Not only has the Labor section of the House expressed this opinion, but we have Mr. Reidy saying:-

The cry of every settler was that the large landholder in the district who did not use his land was a menace to proper settlement, because he did not provide the necessary population, and those who were cultivating were thus deprived of a school and other facilities which would have been provided if the land were fully settled.

There are several large landholders in this district. One of them holds an area of 4,000 acres, of which he has made no use, and by the provision of this railway his land will be increased in value some two pounds per acre. Then he will be able to sell the land at the added value that the railway put on it. It is extraordinary that the progress of the district should be held back through men being able to take up big holdings and hold them year after year until the sufferings of the people who are utilising their land compels us to build a railway. It is outrageous that such people should be permitted to get, as were for nothing, from 7,000 pounds to 8,000 pounds through the building of a railway.

Despite these statements from members of the Railway Standing Committee no definite attempt has been made to fight the Legislative Council to try to get those added values for the benefit of the people. I have before cited one absentee family who bought four land orders for 324 pounds, and up to July 1928, had been able to take out of South Australia, from sales of portions of that land and rent for the remainder, approximately 1,000,000 pounds and not one member of the family has set foot on South Australian soil. Is it to be wondered at that we have run into a dead end from the financial and economic standpoint when we allow these huge publicly-created values to go into the pockets of people who had not created them? Although the conversion loan may be a success, unless we relieve the taxation burden, collect rental values of land for the benefit of the public Treasury, and use the money for the benefit of the community which has created the values, we shall have a recurrence of this depression in two or three years. Some people say, "Have you a sufficient fund"? We are taking in taxation from the producers of Australia approximately 90,000,000 pounds, and out of that sum the Federal and State Governments are collecting only 4,870,000 pounds on the unimproved value of the land. In other words, we are taking about 5,000,000 of revenue from its natural source and levying a burden of 85,000,000 upon industry. Is it any wonder that industry is breaking down under the strain? Some people say that land has no unimproved value to-day, but if you were to ask those people to sell land they would have different ideas of the value of land for taxation purposes and its value for sale purposes. If we could put the economic position of Australia straight, land values would immediately boom again. If we got a rehabilitation policy which would put industry on a sound basis, and got the wheels of industry going, practically all the advantages which would accrue from the reduced interest rates would be capitalised by the landlord class in the form of increased rent. We have approximately 1,400,000,000 pounds worth of unimproved land values in Australia, of which the annual rental value is 70,000,000 pounds. Taking the whole of the figures for Federal, State, and local government purposes, we are securing about 18,000,000 pounds of that 70,000,000 pounds for public purposes, and the private individual is appropriating to himself the other 52,000,000 pounds. It is because we allow those values to go into private pockets that we are levying an unfair tax upon industry to-day.

Mr. Giles - The present owners have paid pretty dearly for their land.

Mr. CRAIGIE - If they have paid it was to some individual who had no right to take it. Further, when a man buys land under the British constitutional law he buys it on the distinct understanding that he is liable at any time to pay the full rental value of the land into the Treasury if the Government have the courage to ask for it. Members speak about what has been paid by the landlord and say that because he has paid for his land it should be sacred to him, but they do not apply the same line of argument to the bondholder. They do not hesitate to ask him to take a lower rate of interest, and thus violate the contract the Government made in respect of it. In one case the bondholder has a right to his interest, in the other case the landlord has no right to appropriate the rental values of the land. There were four

professors of political economy guiding the economic aspects of the Premiers' Conference. They are supposed to be specialists in economic law. They know there are three factors engaged in the production of wealth - land, labor, and capital and they know that wealth is distributed in the form of rent, interest and wages. They suggest that wages should be cut and that interest rates should be cut, but they are absolutely silent on the third factor-rent-suffering a reduction. Then they talk about the equality of sacrifice.

The Attorney-General - Why did not you try to convert at least one of the experts?

Mr. CRAIGIE - I have not had the pleasure of coming into contact with them, but I advised the Premier when he came back to Adelaide for the week-end that there was need for a cut in the rental values of land, and asked him to carry my suggestion back to the Conference as a recommendation from me. Whether he carried out the trust I reposed in him I cannot say.

The Treasurer - You did not carry out your part of the contract. I asked you to let me have your memorandum.

Mr. CRAIGIE - It could not be prepared and delivered in the time I had at my disposal. I had the idea that the Premier was so fortified with information on land tax matters that it was only a matter of refreshing his memory on the point and he would rise to the occasion and be the hero of the day as the one man at the Conference who was a practical politician. I have been disillusioned in that regard, but hope that even at this late hour he will see that we cannot settle our unemployment problem until we bring idle hands together. If we do not do that there is no possibility of an increased purchasing power. We cannot break down the monopoly of natural resources which is taking place unless we call upon the people who hold those natural resources to pay rental values into the Treasury. When we do that we have the alternative policy to the bogey of the Arbitration Court, because, although it appears to me that a number of Labour members have not yet realised the wonderful relationship between land and labor, the privileged section of society know it to the fullest degree. The following are extracts from an official document sent by the South Australian Commissioners to the Secretary of State for the Colonies in 1836:-

It is essential to the prosperity of a new colony in which there are neither slaves nor convicts that there should be a constant supply of free laborers willing to be employed for wages. If there be not a constant supply of labor for hire, no extensive farm can be cultivated, no large or continuous work can be carried on, and the capital imported must perish for want of hands to render it reproductive. . . . Now in order to secure that constant supply of labor for hire two things are necessary: it is necessary that the requisite number of laborers shall be conveyed to the colony, and it is necessary, when so conveyed, they should continue as hired laborers until the arrival of other emigrants to supply their places in the labor market. . . . Hence in determining the proper price of public lands in the new colony, two points have to be considered: First, the price necessary to convey to the colony the number of laborers required to cultivate the land in the most profitable manner; and, second, the price necessary to prevent the laborers so conveyed from acquiring property in land before they had worked for wages for a sufficient period. In order to accomplish the latter object, it is not improbable that, at an early period after the arrival of the Governor, it may be desirable to raise the price of public lands over one pound per acre. . . . Without either slaves or convicts, capitalists of every description will obtain, without cost, as many laborers as they wish to employ; and engagements which laborers may make for a term of service will be maintained. The means of securing all this is a proper price for land.

Those people in the early days realised that the men who control the land of the country control the destinies of those people who must get access to land for the purpose of getting sustenance.

Mr. Warne - That was why they instituted the Legislative Council to protect them.

Mr. CRAIGIE - That is a bogey. No definite attempt has been made by this House to fight the Legislative Council. When the members of this House have come in conflict with the Legislative Council they have hoisted the white flag and run away in dismay. Other countries are troubled with wage and labor problems the same as we are. They have such a problem in Africa, but there the trouble is that they have not sufficient men for the jobs available. Certain distinguished gentlemen who want to exploit labor are much concerned about that fact. In British East Africa there is an area of 189,000 square miles, and a population of 4,000,000, of whom only 3,200 are Europeans, and they cannot induce their poor black brother to come out and be exploited, because he has access to the land. A report which may be seen in the Library of the Colonial Office in England shows that Lord Delamere, owner of 150,000 acres, said :-

If the policy was to be continued that every native was to be a landholder of a sufficient area on which to establish himself, then the question of obtaining a satisfactory labor supply would never be settled. He considered the soundest policy would be to curtail the reserve, and although it might take a few years before the effect on the labor supply was apparent the result would be permanent.

And so you get man after man coming along and testifying that these poor black-fellows refused to be exploited by British and other capitalists because they had a land reserve, and could go there and produce the things necessary for their wants and desires. They had no trades unions or parasites on their backs and no Arbitration Courts or Factories Acts, but they had access to the natural resources. If the white men of Australia would shed the superstitions which are troubling their minds and concentrate on the application of natural laws to their social affairs they would not be in the fix they are in. We want a reduction in the cost of government, but there cannot be much reduction so long as the present indirect methods of taxation are retained. We penalise the producers by stealing from them by means of an income tax and keep a horde of taxation officials to see that the returns are correctly filled in. Further, so long as it is a crime to run a motor vehicle we shall have to keep 40 or 50 men, who are carried on the backs of the producers, to see that the law is observed. The only way to lower the cost of government is by a complete re-organisation of taxation, so as to cut out all present methods and substitute one taxing authority for Federal, State and local purposes, taking the revenue from its natural source and cutting out all artificial systems. Our present system of taxation and unjust laws are strangling production and the only remedy is to make the land the only source of taxation. We should free the producers and the country from a system of taxation that is uneconomic and morally wrong. Do this - take taxation off the tools and implements of production and stop stealing the people's labor, and then our difficulties will disappear like mist before the rising sun, and the ship of State will ride into the safe harbor of national prosperity.